

Bureau of Land Management, Interior

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the Surface Mining Officer unless the operation is exempt from the permit requirements under 30 CFR 700.11.

[44 FR 42634, July 19, 1979. Redesignated and amended at 47 FR 33146, July 30, 1982]

§ 3440.1–6 Cancellation or forfeiture.

Any license to mine may be canceled or forfeited for violation of the Act under which the license to mine was issued, applicable Federal laws and regulations, or the terms and conditions of the license to mine.

[47 FR 33146, July 30, 1982]

PART 3450—MANAGEMENT OF EXISTING LEASES

Subpart 3451—Continuation of Leases: Readjustment of Terms

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AUTHORITY: 30 U.S.C. 181 *et seq.*; 30 U.S.C. 351–359; 30 U.S.C. 521–531; 30 U.S.C. 1201 *et seq.*; and 43 U.S.C. 1701 *et seq.*

SOURCE: 44 FR 42635, July 19, 1979, unless otherwise noted.

Subpart 3451—Continuation of Leases: Readjustment of Terms

§ 3451.1 Readjustment of lease terms.

(a) (1) All leases issued prior to August 4, 1976, shall be subject to readjustment at the end of the current 20-year period and at the end of each 10-year period thereafter. All leases issued after August 4, 1976, shall be subject to readjustment at the end of the first 20-year period and, if the lease is extended, each 10-year period thereafter.

(2) Any lease subject to readjustment which contains a royalty rate less than the minimum royalty prescribed in § 3473.3–2 of this title shall be readjusted to conform to the minimum prescribed in that section.

(b) If the lease became subject to readjustment of terms and conditions before August 4, 1976, but the authorized officer prior to that date neither readjusted the terms and conditions nor informed the lessee whether or not a readjustment would be made, the terms and conditions of that lease shall not be readjusted retroactively to conform to the requirements of the Federal Coal Leasing Amendments Act of 1976.

(c)(1) The authorized officer shall, prior to the expiration of the current or initial 20-year period or any succeeding 10-year period thereafter, notify the lessee of any lease which becomes subject to readjustment after June 1, 1980, whether any readjustment of terms and conditions will be made prior to the expiration of the initial 20-year period or any succeeding 10-year period thereafter. On such a lease the failure to so notify the lessee shall mean that the United States is waiving its right to readjust the lease for the readjustment period in question.

(2) In any notification that a lease will be readjusted under this subsection, the authorized officer will prescribe when the decision transmitting the readjusted lease terms will be sent to the lessee. The time for transmitting the information will be as soon as possible after the notice that the lease shall be readjusted, but will not be longer than 2 years after such notice. Failure to send the decision transmitting the readjusted lease terms in the specified period shall constitute a waiver of the right to readjust, unless

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the delay is caused by events beyond the control of the Department.

(d) In the notification that the lease will be readjusted, the authorized officer may require the lessee to furnish information specified in § 3422.3-4 of this title for review by the Attorney General as required by section 27(1) of the Mineral Leasing Act of 1920, as amended. If the authorized officer requests the information specified, no lease readjustment shall be effective until 30 days after the authorized officer has transmitted the required information to the Attorney General. The lease shall be subject to cancellation if the lessee fails to furnish the required information within the time allowed.

(e) The Governor of the affected State will be sent a copy of the readjusted lease terms.

[44 FR 42635, July 19, 1979, as amended at 47 FR 33146, July 30, 1982; 48 FR 37656, Aug. 19, 1983; 53 FR 37300, Sept. 26, 1988]

§ 3451.2 Notification of readjusted lease terms.

(a) If the notification that the lease will be readjusted did not contain the readjusted lease terms, the authorized officer will, within the time specified in the notice that the lease shall be readjusted, notify the lessee by decision of the readjusted lease terms.

(b) The decision transmitting the readjusted lease terms and conditions to the lessee(s) of record shall constitute the final action of the Bureau of Land Management on all the provisions contained in a readjusted lease and will be provided to the lessee(s) of record prior to the anniversary date. The effective date of the readjusted lease shall not be affected by the filing of any appeal of, or a civil suit regarding, any of the readjusted terms and conditions.

(c) The readjusted lease terms and conditions shall become effective on the anniversary date;

(d) The lessee may appeal the decision of the authorized officer in accordance with the procedure set out in 43 CFR part 4; and

(e) Regardless of whether an appeal is filed by the lessee(s), all of the readjusted lease terms and conditions, including, but not limited to, the reporting and payment of rental and royalty,

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shall be effective on the anniversary date.

[47 FR 33146, July 30, 1982, and 53 FR 37300, Sept. 26, 1988]

Subpart 3452—Relinquishment, Cancellation, and Termination

§ 3452.1 Relinquishment.

§ 3452.1-1 General.

The lessee may surrender the entire lease, a legal subdivision thereof, an aliquot part thereof (not less than 10 acres) or any bed of the coal deposit therein. A partial relinquishment shall describe clearly the surrendered parcel or coal deposits and give the exact acreage relinquished. If the authorized officer accepts the relinquishment of any coal deposits in a lease, the coal reserves shall be adjusted in accordance with part 3480 of this title.

[47 FR 33147, July 30, 1982, as amended at 50 FR 8627, Mar. 4, 1985]

§ 3452.1-2 Where filed.

A relinquishment shall be filed in triplicate by the lessee in the Bureau of Land Management State Office having jurisdiction over the lands involved (43 CFR subpart 1821).

§ 3452.1-3 Acceptance.

The effective date of the lease relinquishment shall, upon approval by an authorized officer, be the date on which the lessee filed the lease relinquishment. No relinquishment shall be approved until the authorized officer determines that the relinquishment will not impair the public interest, that the accrued rentals and royalties have been paid and that all the obligations of the lessee under the regulations and terms of the lease have been met.

[47 FR 33147, July 30, 1982]

§ 3452.2 Cancellation.

§ 3452.2-1 Cause for cancellation.

(a) The authorized officer, after compliance with § 3452.2-2 of this title, may take the appropriate steps to institute proceedings in a court of competent jurisdiction for the cancellation of the lease if the lessee: (1) Fails to comply with the provisions of the Mineral

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Leasing Act of 1920, as amended; (2) fails to comply with any applicable general regulations; or (3) defaults in the performance of any of the terms, covenants, and stipulations of the lease.

(b) Any lease issued before August 4, 1976, on which the lessee does not meet the diligent development requirements or any lease whenever issued on which the lessee does not meet the continued operation requirements shall be subject to cancellation in whole or in part. In deciding whether to initiate lease cancellation proceedings under this subsection, the Secretary shall not consider adverse circumstances which arise out of (1) normally foreseeable costs of compliance with requirements for environmental protection; (2) commonly experienced delays in delivery of supplies or equipment; or (3) inability to obtain sufficient sales.

[44 FR 42635, July 19, 1979, as amended at 47 FR 33147, July 30, 1982]

§ 3452.2-2 Cancellation procedure.

The lessee shall be given notice of any default, breach or cause of forfeiture and be afforded 30 days to correct the default, to request an extension of time in which to correct the default, or to submit evidence showing why the lease should not be cancelled. The Governor of the affected State(s) shall be given reasonable notice of action taken by the Department of the Interior to initiate cancellation of the lease.

[44 FR 42635, July 19, 1979, as amended at 48 FR 37656, Aug. 19, 1983]

§ 3452.3 Termination.

(a) Any lease issued or readjusted after August 4, 1976, shall be terminated if the lessee does not meet the diligent development requirements.

(b) Should a lease be relinquished, cancelled or terminated for any reason, all deferred bonus payments shall be immediately payable and all rentals and royalties, including advance royalties, already paid or due, shall be forfeited to the United States.

[44 FR 42635, July 19, 1979, as amended at 47 FR 33147, July 30, 1982]

Subpart 3453—Transfers by Assignment, Sublease or Otherwise

§ 3453.1 Qualifications.

(a) Leases may be transferred in whole or in part to any person, association or corporation qualified under subpart 3472 of this title to hold such leases, except as provided by § 3420.1-4(b)(1)(iv) and (2)(ii) of this title.

(b) Preference right lease applications may be transferred as a whole only to a person, association or corporation qualified under subpart 3472 of this title to hold a lease.

(c) Exploration licenses may be transferred in whole or in part subject to § 3453.3(b) of this title.

[47 FR 33147, July 30, 1982]

§ 3453.2 Requirements.

§ 3453.2-1 Application.

Applications for approval of any transfer of a lease, preference right lease application or exploration license or any interest in a lease or license, whether by direct assignment, working agreement, transfer of royalty interest, sublease, or otherwise, shall be filed within 90 days from final execution.

[44 FR 42635, July 19, 1979, as amended at 47 FR 33147, July 30, 1982]

§ 3453.2-2 Forms and statements.

(a) Transfers of any record title interest shall be filed in triplicate and shall be accompanied by a request for approval from the transferee.

(b) No specific form need be used for requests for approval of transfers. The request for approval shall contain evidence of the transferee's qualifications, including a statement of Federal coal lease acreage holdings. This evidence shall consist of the same showing of qualifications required of a lease applicant by subpart 3472 of this title. A single signed copy of the qualifications statement is sufficient.

(c) A separate instrument of transfer shall be filed for each lease when transfers involve record titles. When transfers to the same person, association, or corporation involving more than one lease are filed at the same time, one request for approval and one showing as

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to the qualifications of the transferee shall be sufficient.

(d) A single signed copy of all other instruments of transfer is sufficient, except that collateral assignments and other security or mortgage documents shall not be accepted for filing.

(e) Any transfer of a record title interest or assignment of operating rights shall be accompanied by the transferee's submission of the information specified in §3422.3-4 of this title, including the holdings of any affiliate(s) (including joint ventures) of the transferees, or a statement incorporating a prior submission of the specified information by reference to the date and lease, license or application serial number of the submission, and containing any and all changes in holdings since the date of the prior submission.

(f) Any document of transfer which does not contain a description of all consideration or value paid or promised for the transfer shall be accompanied by a separate statement of all consideration or value, whether cash, property, future payments or any other type of consideration, paid or promised for the transfer.

(g) Information submitted to comply with paragraphs (e) and (f) of this section may be labeled as proprietary data and shall be treated in accordance with the laws and regulations governing the confidentiality of such information.

[44 FR 42635, July 19, 1979, as amended at 47 FR 33147, July 30, 1982]

§ 3453.2-3 Filing location and fee.

Instruments of transfer and requests for approval shall be filed in the Bureau of Land Management office having jurisdiction over the leased lands proposed for transfer (see 43 CFR subpart 1821). Each instrument of transfer shall be accompanied by a nonrefundable filing fee (see 43 CFR 3473.2).

[47 FR 33147, July 30, 1982]

§ 3453.2-4 Bonds.

(a) If a bond is required, it shall be furnished before a lease, preference right lease application or exploration license may be approved for transfer. If the original lease, preference right lease application or exploration license

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required the maintenance of a bond, the transferee shall submit either a written consent from the surety to the substitution of the transferee as principal or a new bond with the transferee as principal. Transfers of any part of the leased or licensed lands shall be described by legal subdivisions. Before any transfer of part of a lease or license is approved, the transferee shall submit: (1) A written statement from the surety that it agrees to the transfer and that it agrees to remain bound as to the interest retained by the lessee or licensee; and (2) a new bond with the transferee as principal covering the portion transferred.

(b) The transferor and the surety shall continue to be responsible for the performance of any obligation under the lease, preference right lease application or exploration license until the effective date of the approval of the transfer. If the transfer is not approved, the obligation to the United States shall continue as though no such transfer had been filed for approval. After the effective date of approval, the transferee, including any sublessee, applicant or licensee, and the transferee's surety shall be responsible for all lease, application or license obligations, notwithstanding any terms of the transfer to the contrary.

[47 FR 33147, July 30, 1982, as amended at 47 FR 38131, Aug. 30, 1982]

§ 3453.2-5 Effect of partial assignment.

A transfer of full record-title to only part of the lands, or any bed of the coal deposits therein, shall segregate the transferred and retained portions into separate and distinct leases or licenses, with the retained portion keeping the original serial number. The newly segregated lease or license shall be assigned a new serial number and shall contain the same terms and conditions as the original lease or license.

[47 FR 33148, July 30, 1982]

§ 3453.3 Approval.

§ 3453.3-1 Conditions for approval.

(a) No transfer of a lease shall be approved if:

(1) The transferee is not qualified to hold a lease or an interest in a lease

under subpart 3472 of this title or under §§ 3420.1–3(b)(1)(iv) and 3420.1–3(b)(2)(ii) of this title;

(2) The lease bond is insufficient;

(3) The filing fee has not been submitted;

(4) The transferee would hold the lease in violation of the acreage requirements set out in subpart 3472 of this title;

(5) The transfer would create an overriding royalty or other interest in violation of § 3473.3–2 of this title;

(6) The lease account is not in good standing;

(7) The information required under § 3453.2–2(e) and (f) of this title has not been submitted; or

(8) The transferee is subject to the prohibition in § 3472.1–2(e) of this title.

(b) When the licensee proposes to transfer an exploration license, any other participating parties in the license shall be given the right of first refusal. If none of the participating parties wishes to assume the license, the license may be transferred if:

(1) The exploration bond is sufficient;

(2) The filing fee has been submitted; and

(3) The license account is in good standing.

(c) A preference right lease application may be transferred as a whole only to any party qualified to hold a lease under subpart 3472 of this title.

[47 FR 33148, July 30, 1982, as amended at 50 FR 42023, Oct. 17, 1985]

§ 3453.3–2 Disapproval of transfers.

(a) The authorized officer shall deny approval of a transfer if any reason why the transfer cannot be approved (listed in § 3453.3–1 of this title) is not cured within the time established by the authorized officer in a decision notifying the applicant for approval why the transfer cannot be approved.

(b) The authorized officer shall not approve a transfer of a lease until 30 days after the requirements of § 3422.3–4 of this title have been met.

[44 FR 42635, July 19, 1979, as amended at 47 FR 33148, July 30, 1982]

§ 3453.3–3 Effective date.

A transfer shall take effect the first day of the month following its final ap-

proval by the Bureau of Land Management, or if the transferee requests in writing, the first day of the month of the approval. The Governor of the affected State(s) shall be given reasonable notice of any lease transfer.

[44 FR 42635, July 19, 1979, as amended at 47 FR 33148, July 30, 1982; 48 FR 37656, Aug. 19, 1983]

§ 3453.3–4 Extensions.

(a) The filing of or approval of any transfer shall not alter any terms or extend any time periods under the lease, including those dealing with readjustment of the lease and the diligent development and continued operation on the lease.

(b) The filing of or approval of a transfer of an exploration license shall not extend the term of the license beyond the statutory 2-year maximum.

[44 FR 42635, July 19, 1979, as amended at 47 FR 33148, July 30, 1982; 47 FR 38131, Aug. 30, 1982]

PART 3460—ENVIRONMENT

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